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Report on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2004

Report of the Secretary-General

Summary

The present report provides additional information in response to the recommendations of the Board of Auditors as contained in its report on the United Nations peacekeeping operations for the period ended 30 June 2004 (A/59/5, vol. II). The report is submitted in accordance with paragraph 7 of General Assembly resolution 48/216 B, in which the Secretary-General was requested to report to the Assembly at the same time as the Board of Auditors submitted its recommendations to the Assembly, on measures taken or to be taken to implement those recommendations.

Given that the Administration has concurred with many of the Board's recommendations and that most of the comments of the Secretary-General have been duly reflected in the report of the Board of Auditors, the present report addresses only those recommendations that require further comments from the Administration.

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I. Introduction

1. In paragraph 7 of its resolution 48/216 B the General Assembly requested the Secretary-General to report to it on the measures that would be taken to implement the recommendations of the Board of Auditors at the same time that the report of the Board was submitted to the Assembly. Accordingly, the present report is submitted in response to the recommendations of the Board of Auditors contained in its report on the accounts of the United Nations peacekeeping operations for the 12-month period ending 30 June 2004.

2. In preparing the present report, account was taken of the provisions of the following General Assembly resolutions:

(a) Resolution 50/204 A (in particular, para. 4, regarding implementation of the recommendations of the Board of Auditors approved by the General Assembly);

(b) Resolution 51/225, section A, (in particular, para. 10, regarding the timetable for the implementation of recommendations of the Board of Auditors);

(c) Resolution 52/212 B (in particular, paras. 2 to 5) and the note by the Secretary-General transmitting the proposals of the Board for improving the implementation of its recommendations approved by the Assembly (A/52/753, annex);

(d) Resolution 56/233 B (in particular para. 3 thereof), in which the Assembly endorsed the recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/56/887, para. 11) on the preparation of the report of the Secretary-General on the Board of Auditors report.

3. The implementation of the majority of the recommendations of the Board of Auditors falls under the responsibility of the Under-Secretary-General for Peacekeeping Operations. The remainder are the responsibility of the Department of Management, specifically the Assistant Secretaries-General for the Office of Central Support Services, the Office of Programme, Planning, Budget and Accounts and the Office of Human Resources Management.

II. Implementation of the recommendations contained in the report of the Board of Auditors[1]

4. **In paragraph 71 of the report of the Board of Auditors, it recommended that the Administration should ensure that proper bank and cash management processes are in place.**

5. The Administration continues to take action to ensure that proper banking services are in place. The request to close the United Nations Interim Administration Mission in Kosovo (UNMIK) account maintained with the Banking and Payments Authority of Kosovo was issued on 2 December 2004. The banking services agreement between the United Nations and Standard Chartered Bank signed on 8 October 2004 provides banking services for the United Nations Operation in Côte d'Ivoire (UNOCI).

[1] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5* (A/59/5), vol. II.

6. The United Nations Mission in Ethiopia and Eritrea (UNMEE) has confirmed that all bank reconciliation statements, with the exception of the United States dollar account with the Commercial Bank of Eritrea, were performed in a timely manner and made available to the auditors. Concerning the account with the Commercial Bank of Eritrea, the Mission explained that since it has no access to the network of the bank, the practice is that the bank statements are received at the end of the following month. This practice accounts for the one month delay in the preparation of the bank reconciliation statements. The United Nations Mission for the Referendum in Western Sahara (MINURSO) has segregated the duties over the functions of receipt, custody and recording of cash transactions to facilitate the operation of sound internal checks. The United Nations Interim Force in Lebanon (UNIFIL) has improved physical controls and security measures at the cashier's office. The doors to the cashier's office and vault are now under lock and key. Surprise cash counts, which are now part of the duties and responsibilities of the Deputy Chief Finance Officer, are performed periodically.

7. **In paragraph 122, the Board recommended that the Administration should expedite the development of the database to enable the proper monitoring and control of on-the-job aviation training.**

8. The Department of Peacekeeping Operations has expanded the scope of the database to include monitoring and control of regular and on-the-job training programmes in all six sections of the Specialist Support Service, Logistics Support Division. The Department anticipates launching this project by 31 March 2005.

9. **In paragraph 149, the Board recommended that the Administration should expedite implementation of the aircraft tracking system at the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and assess the feasibility of implementing it at other missions.**

10. The implementation of the tracking system was delayed because MONUC was conducting an evaluation of the compatibility of the United Nations bandwidth and the software used to receive the polling data for tracking of aircraft. The aircraft tracking system has been installed in January 2005 and a further enhancement of the system is in progress. The feasibility of introducing this system in other missions is dependent on the results of MONUC's evaluation.

11. **In paragraph 167, the Board recommended and the Administration agreed to implement the strategic deployment stocks accounting guidelines without any undue delay.**

12. The strategic deployment stocks accounting guidelines are being applied as a pilot project in accounting for strategic deployment stocks issued to the United Nations Assistance Mission for Iraq (UNAMIS).

13. **In paragraph 180, the Board recommended and the Administration agreed to expedite the promulgation and implementation of its strategic deployment stocks policies and procedures as a matter of priority.**

14. The Department of Peacekeeping Operations has created a comprehensive set of draft policies and procedures regarding the management of strategic deployment stocks. The compendium, which is currently under review, will be submitted for approval in April 2005.

15. **In paragraph 203, the Board recommended and the Administration agreed to review in detail the rations management standard operating procedures of missions to ensure that they are in line with the Rations Management Manual.**

16. The Department of Peacekeeping Operations has received and is reviewing the standard operating procedures for five missions with rations contracts and is following up on the submission from the remaining five missions.

17. **In paragraph 222, the Board recommended and the Administration agreed to maintain proper and complete records of all rations written off to facilitate the monitoring of obsolete and excessive rations as well as spoilage levels in order to utilize this information to identify problem areas where corrective actions should be taken.**

18. The guidelines of the Department of Peacekeeping Operations on food stock control have been targeted at avoiding the potential accumulation of surplus stocks which could lead to food obsolescence, pilferage and spoilage. Furthermore, the Department has developed provisional guidelines and standard operating procedures to better manage and control rations in United Nations peacekeeping missions. Notwithstanding, the Department will request missions to submit monthly reports on cases of rations written off.

19. **In paragraph 244, citing specific instances at UNMEE, the Board recommended that the Department of Peacekeeping Operations strictly enforce compliance with the administrative instructions relating to the payment of allowances at special rates.**

20. The policy relating to the payment of daily subsistence allowance at special rates contained in the *Human Resources Handbook* is very clear. Special rates are to be paid on the certification by the director of administration/chief administrative officer that good commercial hotels are not available in a mission area. The Administrative Support Division will remind UNMEE to enforce the established procedures relating to the payment of special rates.

21. **In paragraph 248, the Board recommended that the Department of Peacekeeping Operations review the relevance of the purchase of top-of-the-line equipment with a view to preventing the recurrence of expenditures not in line with financial constraints and technical needs.**

22. The Department of Peacekeeping Operations wishes to reiterate that the Board's findings relating to the requisition of 15 GSM mobile telephones were not factual as their specifications were generic and not a straight copy of the main features of a specific manufacturer. The Department concurs with the recommendation regarding the relevance of the purchase and actual use of the top-of-the-line mobile telephone at the field missions. However, it should be noted that in most cases mobile telephones are tied in with the services available locally. That being the case, the Department has not been able to use one single make or model of mobile telephone for all field missions. The Department will request all field missions to conduct a cost-benefit analysis prior to making decisions concerning the acquisition of mobile te'ephones.

23. **In paragraphs 251 and 253, the Board recommended that the Administration should:**

(a) **Establish a time frame for the finalization of the promulgation and implementation of the guidelines on ethical principles for United Nations staff working in the procurement process;**

(b) **Finalize and expedite the promulgation and implementation of a code of conduct for suppliers to the United Nations.**

24. The Department of Management has completed its analysis. A draft of the guidelines for ethical conduct and a bulletin governing rules on the conduct of staff have been transmitted to the Office of Legal Affairs for review. The bulletin will promulgate special rules applicable to all staff engaged in procurement activities. As required by the Staff Rules, the text will be submitted to staff representatives for their comments prior to finalization and promulgation. It is expected that the document will be finalized by May 2005. A supplier's code of conduct has also been drafted with the assistance of a consultant. Further analysis on the design of guidelines for implementation is ongoing.

25. **In paragraph 272, the Board recommended that the Administration consider the feasibility of compliance by missions with the Procurement Manual in respect of local vendor review committees vendor database officers with a view to revising the Manual, if appropriate, while ensuring proper controls and accountability.**

26. In addition to the comments of the Administration reflected in paragraph 271 of the Board's report, the Department of Peacekeeping Operations will inform the concerned missions of the decision of the Procurement Service for compliance.

27. **In paragraph 274, the Board encouraged the Department of Peacekeeping Operations, in conjunction with the Procurement Service, continue to monitor and address causes for excessive procurement lead times at peacekeeping missions.**

28. The Department of Peacekeeping Operations welcomed the recommendation and wishes to acknowledge the efforts of Procurement Service that have resulted in the reduction of lead times. In addition to establishing system contracts and improved procurement planning, the Department will continue to work with Procurement Service to explore ways of further reducing procurement lead times at peacekeeping missions.

29. **In paragraph 283, the Board recommended that the Department of Peacekeeping Operations properly plan, coordinate and monitor centrally all reviews and periodic management assessments of peacekeeping missions.**

30. The Department of Peacekeeping Operations clarified that management assessments of peacekeeping missions are centrally planned, coordinated and monitored by the Military Division. Between January 2003 and December 2004, assessment missions have been fielded to the United Nations Mission of Support in East Timor (UNMISET), UNMIK, UNMEE and the United Nations Mission in Liberia (UNMIL). These assessments are carried out with the support from other offices of the Department. In addition, each office periodically carries out its own assessment of its specific operation in the missions. For example, the Office of Mission Support centrally plans and coordinatesUnited Nations Organization

Mission in the Democratic Republic of the Congo biannual reviews of all missions to assess the status of support provided. The Assistant-Secretary-General of the Office of Mission Support chairs these assessment reviews.

31. **In paragraph 289, the Board recommended that the Administration finalize in a timely manner all reviews undertaken by management to ensure the relevance of the findings reported, even if this means reporting on disagreements.**

32. As confirmed by the Board, many of the recommendations contained in the report on the United Nations Observer Mission in Georgia (UNOMIG) management review were considered during the preparation of the Mission's budget for 2004/2005. The Department of Peacekeeping Operations has streamlined the management review process to ensure that reports of the reviews are issued in a timely manner. The Military Division monitors and follows up on the recommendations of the reviews.

33. **In paragraph 314, the Board recommended that the Administration expedite the necessary amendments on the Integrated Management Information System regarding leave management within a predetermined time frame.**

34. The gaps analysis was completed during the last quarter of 2003. In June 2004, the IMIS Steering Committee approved the project and asked that a detailed project plan be prepared. The proposed project plan was prepared and is awaiting review and finalization by the different offices involved.

35. **In paragraph 316, the Board reiterated its recommendation that the Administration expedite the finalizing and aligning of the generic job profiles and grading guidelines to eliminate any inconsistencies and disparities in the application of entry rules and grading of employees.**

36. Further to the comments contained in paragraph 317 of the Board's report, the grading profiles and grading guidelines were finalized and approved on 30 July 2004. The Office of Human Resources Management and the Department of Peacekeeping Operations are working closely to finalize the review of functional titles and to complete related generic job profiles.

37. In paragraph 332, the Board recommended that the Administration, in consultation with the administrations of other United Nations entities, institutionalize the reporting of disciplinary and judicial action taken or to be taken against military and civilian personnel for serious misconduct and crime, including reporting on the status and nature of such actions.

38. The Department of Peacekeeping Operations concurs with the recommendation that the United Nations and its funds and programmes should have a data base enabling it to track progress on all allegations of sexual exploitation and abuse and all other types of misconduct, serious misconduct or crime resulting in disciplinary and/or judicial action. The Department hesitates to use the term "serious misconduct" as this has different and defined meanings for uniformed and civilian personnel. The Department is undertaking a comprehensive strategy to address the issue of sexual exploitation and abuse and will consult with other United Nations entities on this matter.

39. **In paragraph 334, the Board recommended that the Administration continue with its efforts to improve the timely finalization of memoranda of understanding.**

40. As communicated to the Board, the finalization of memoranda of understanding is largely dependent upon the legislative process of each troop-contributing country and therefore the rate of progress in signing memoranda of understanding was often dependent on factors beyond the control of the Department.

41. **In paragraph 343, the Board recommended that the Administration ensure that clear and coordinated direction and advice be given by Headquarters to missions during their liquidation phase to promote efficient liquidation.**

42. The Department of Peacekeeping Operations concurs with the recommendation. The Department provides clear and coordinated direction as a mission undergoes liquidation. Missions in liquidation phase are guided by the Liquidation Manual (approved in June 2003), which contains the necessary guidelines, instructions and standard operating procedures to be followed. Additional directives are given by the Department as and when necessary in order to facilitate an efficient liquidation process. Concerning the liquidation of the United Nations Iraq-Kuwait Observation Mission (UNIKOM), most of the noted weaknesses were mainly due to the deteriorating security conditions in Iraq, which affected decisions expected to be made by United Nations Headquarters.